

Message Text

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ACTION NEA-06

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O R 061130Z MAY 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 1276

INFO AMEMBASSY MOSCOW

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 5984

LIMDIS

FROM MOYNIHAN

E.O. 11652: GDS

TAGS: PFOR, IN, UR, US

SUBJ: THE SOVIETS AND INDO-US RELATIONS

REF: BOMBAY 982 (NOTAL)

SUMMARY: THE SOVIETS HERE SEEM TO BELIEVE IMPROVING INDO-US RELATIONS THREATEN THE SOVIET POSITION IN INDIA. I HAVE TOLD THE SOVIET AMBASSADOR THAT WE ARE NOT TRYING TO COMPETE WITH MOSCOW IN THIS COUNTRY. MIGHTTHE SECRETARY MAKE THE SAME POINT TO THE SOVIETS BEFORE HE VISITS INDIA? END SUMMARY.

1. SOVIET OFFICIALS IN INDIA APPEAR CONCERNED ABOUT THE FAVORABLE TREND IN INDO-US RELATIONS. A FEW OF THEIR MID-LEVEL DIPLOMATS HAVE SAID AS MUCH QUITE BLUNTLY TO US IN RECENT WEEKS. INDIAN CORRESPONDENTS AND EASTERN EUROPEAN CONTACTS HAVE ALSO TOLD US
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THE SOVIETS ARE SAYING THEY ARE WORRIED.

2. SOVIET CONCERNS, AS WE PIECE THEM TOGETHER, RELATE TO:

-- THE INDIAN GOVERNMENT'S SHIFT TOWARD MORE PRAGMATIC, LESS DOCTRINAIRE SOLUTIONS TO DOMESTIC ECONOMIC PROBLEMS. THE GOI'S CURRENT LESS "SOCIALIST" APPROACH ISOLATES SOVIET SUPPORTERS, CONTRVENES SOVIET PRESCRIPTIONS ON THE DIRECTION INDIA SHOULD TAKE, AND REINFORCES THE POSITION OF THOSE WHO FAVOR CLOSER TIES WITH THE US AND THE WEST.

-- SOME FRUSTRATION OVER THE SOVIET ECONOMIC RELATIONSHIP WITH INDIA. INDIAN LABOR INDISCIPLINE, MISMANAGEMENT, AND SHORTAGES BEDEVIL SOVIET-SUPPORTED PUBLIC SECTOR PROJECTS. BOTH THE INDIANS AND SOVIETS REALIZE THAT BECAUSE OF OTHER SOVIET COMMITMENTS AND LIMITATIONS, THE SOVIETS CANNOT MEET INDIAN NEEDS FOR FUEL, FERTILIZER, NON-FERROUS METALS, AND AGRICULTURAL COMMODITIES. THE SOVIETS APPEAR TO BE HOLDING TO A HARD LINE ON INDIAN DEMANDS -- BUT AT THE SAME TIME WORRYING THAT THEIR EFFORTS HERE HAVE NOT BOUND INDIA TO THE USSR AND THAT INDIA IN ITS TROUBLES MAY TURN INCREASINGLY TO THE WEST.

-- A BELIEF THAT CLOSER INDO-US RELATIONS MIGHT UNDERCUT THE SOVIET POSITION. THE SOVIETS SEEM TO FEEL THAT HAVE SLIPPED BACK FROM THE HIGH-WATER MARK OF 1971-72, AND THEY DON'T LIKE IT. TO THEM IT IS A ZERO SUM GAME. OUR GAIN IS THEIR LOSS. INDIAN INTEREST IN IMPROVING TIES WITH THE US IMPLIES LESS INDIAN INTEREST IN MAINTAINING THE SPECIAL RELATIONSHIP WITH MOSCOW THAT THE SOVIETS WANT.

3. SOVIET CONCERN HAS FOCUSED TO SOME DEGREE ON THE PROSPECT OF A VISIT TO INDIA BY SECRETARY KISSINGER -- A SUBJECT IN WHICH INDIAN INTEREST MAY SEEM TO THE SOVIETS IMMODERATE. SOVIET EXPERIENCE IN EGYPT, TO WHICH SOME OF THEIR DIPLOMATS HERE HAVE ALLUDED, SEEMS RELEVANT IN THIS REGARD, AS DOES THE FEAR THAT CHINA MAY SOMEHOW BENEFIT FROM A MORE BALANCED INDIAN RELATIONSHIP WITH THE US AND USSR.

4. RECENT ARTICLES IN THE PRO-SOVIET MEDIA SEEK TO UNDERMINE THE SECRETARY'S PROPOSED VISIT, TALKS ON POSSIBLE RESUMPTION OF US ECONOMIC ASSISTANCE, AND FURTHER IMPROVEMENT IN INDO-US RELATIONS. THE COMMUNIST PARTY OF INDIA'S HINDI DAILY CARRIED A MAY 1 EDITORIAL CAPTIONED "DANGEROUS SOFT LINE TOWARD AMERICAN INFILTRATION". THE CURRENT ISSUE OF PRO-SOVIET "BLITZ" HAS A CENTER
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SPREAD ENTITLED "US PLOTS ECONOMIC INVASION OF INDIA" AND ILLUSTRATED WITH JUXTAPOSED PICTURES OF THE SECRETARY AND A SEVENTH FLEET CARRIER. THE ARTICLE SAYS AMBASSADOR MOYNIHAN'S SECRET INSTRUCTIONS TO US MISSIONS AND FRONT ORGANIZATIONS ARE THAT THE KISSINGER MISSION PROPOSES TO WIPE OUT INDO-SOVIET GOODWILL CREATED BY THE BREZHNEV VISIT AND TO ACHIEVE MAXIMUM INDO-AMERICAN COLLABORATION. IT ADDS THAT THE EXAMPLE OF HOW "SADAT'S EGYPT HAS BEEN WEANED AWAY FROM THE SOVIET TO THE

AMERICAN SPHERE OF INFLUENCE BY KISSINGER DIPLOMACY" HAS BEEN CITED TO ENCOURAGE THE EFFORT TO PUSH INDIA INTO THE AMERICAN CAMP.

5. WE HAVE DETECTED NO EVIDENCE THAT THE INDIANS HAVE TRIED TO PLAY ON SOVIET FEARS, NO SIGNS THEY HAVE IMPLIED THE SOVIETS SHOULD DO MORE FOR THEM OR THEY WILL GO TO THE US. TOP OFFICIALS IN PUBLIC SPEAK WARMLY OF SOVIET AID AND FRIENDSHIP.

5. I BELIEVE SOVIET FEARS ABOUT INDO-US RELATIONS DO US NO GOOD:
-- THE POSSIBILITY OF MAJOR ECONOMIC DISLOCATION IN INDIA
--FAMINE CONTINUED INDUSTRIAL STAGNATION, DOMESTIC POLITICAL TURMOIL --COULD POSE PROBLEMS AND PRESSURES FOR RESPONSES FROM BOTH THE US AND USSR, TO THE EXTENT THE US AND USSR RECOGNIZE A COMMON INTEREST IN INDIA'S ECONOMIC PROGRESS WE BROADEN POTENTIAL AREAS OF COOPERATION. TO BE BLUNT: OF COST-SHARING.
-- WE DON'T SEE OURSELVES AS COMPETING WITH THE SOVIETS IN INDIA, BUT IF THE SOVIETS FEAR THAT WE MAY UNDERMINE THEIR POSITION IN AN AREA OF MORE CONCERN TO THEM THAN TO US, THIS MAY LIMIT SOVIET COOPERATIVENESS IN OTHER AREAS IMPORTANT TO THE UNITED STATES. REMEMBER THEY HAVE "LOST" EGYPT.
-- TO THE DEGREE THAT SOVIET-SUPPORTED MEDIA AND COMMUNIST ALLIES IN INDIA PORTRAY THE US AS A THREAT TO INDIA, THEY COMPLICATE OUR EFFORTS TO ACHIEVE A MORE MATURE AND STADY RELATIONSHIP HERE. THIS ALSO, SUBTLY, FORCES US TO RAISE OUR ANTE, MAKING OUR FRIENDSHIP MORE ATTRACTIVE DESPITE ITS INTERNAL "COSTS".

6. WITH THESE THOUGHTS IN MIND, I TOOK THE OCCASION DURING A RETURN CALL ON SOVIET AMBASSADOR MALTSEV MAY 5, TO UNDERLINE THE POINT THAT WE ARE NOT TRYING TO COMPETE WITH THE SOVIETS IN INDIA. I SAID WE ACCEPT THE SIGNIFICANT RELATIONSHIP BETWEEN INDIA AND THE USSR THAT BOTH COUNTRIES SEEM TO DESIRE.
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I REFERRED TO PRESS ACCOUNTS HERE THAT AT AMBASSADOR KAUL'S DINNER DURING BREZHNEV'S VISIT TO DELHI THE SECRETARY SAID THE US WOULD NOT BE HURT BY FRIENDLY INDO-SOVIET RELATIONS AND WE HOPED THE SOVIETS WOULD NOT BE OFFENDED BY FRIENDLY INDO-US RELATIONS. I SAID OUR RELATIONS, WHICH HAD BEEN BAD, WERE IMPROVING, BUT THERE WAS A CAMPAIGN IN CERTAIN JOURNALS HERE AGAINST THIS DEVELOPMENT WHICH WAS SOMETIMES PROTRAYED AS ANTI-SOVIET. I SAID SOMEWHAT DISINGENUOUSLY THAT I DID NOT AT ALL ASSOCIATE THESE ATTACKS WITH THE SOVIET EMBASSY BUT RATHER WITH THE MISUNDERSTANDING OF SOME PERSONS HERE IN INDIA WHO MISTAKENLY THOUGHT THIS TO BE THE SOVIET POSITION. I ADDED THAT WE WERE BEGINNING TO DISCUSS ECONOMIC COOPERATION WITH THE INDIANS. INDIA WAS DESPERATELY POOR, IN REALLY A BAD WAY NOW WITH THE NEW PRICE OF CRUDE, AND IT NEEDED ALL THE HELP IT COULD GET. OUR OWN RESPONSE, HOWEVER, WOULD HAVE TO BE QUITE

MODEST -- AND, AGAIN, WAS NOT INTENDED TO COMPETE WITH WHAT
THE SOVIETS WERE DOING.

7. MALTSEV EXPRESSED SOME SURPRISE THAT I SHOULD MENTION
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ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 NEAE-00 SSO-00 NSCE-00 EUR-10

EB-03 AID-10 SP-01 SAM-01 L-02 PM-03 PRS-01 CIAE-00

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TO SECSTATE WASHDC IMMEDIATE 1277
INFO AMEMBASSY MOSCOW
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

C O N F I D E N T I A L SECTION 2 OF 2 NEW DELHI 5984

LIMDIS

FROM MOYNIHAN

8. WOULD IT BE WORTHWHILE FOR THE SECRETARY TO TELL THE SOVIETS
AT A HIGH LEVEL BEFORE COMING TO INDIA THAT WE RECOGNIZE AND
ACCEPT THE IMPORTANCE OF SOVIET RELATIONS WITH INDIA? WE VIEW
OUR OWN MODEST EFFORTS TOWARD A MORE MATURE, STEADY RELATION-
SHIP WITH INDIA AS IN NO WAY COMPETITIVE WITH THE SOVIETS.
US AND SOVIET ECONOMIC ACTIVITIES IN INDIA COULD BE COMPLE-
MENTARY AND AID FROM EITHER COUNTRY IS CONSISTENT WITH THE
INTERESTS OF THE OTHER.

9. A NOTE ON POSSIBLE RECEPTIVITY. AT ONE POINT MALTSEV LOOKED
HARD AT ME AND SAID, "YOU HAVE JUST RETURNED FROM THE UNITED
STATES. YOU SAW THE PRESIDENT AND THE SECRETARY OF STATE.
DID THEY TALK TO YOU ABOUT THIS?" I SAID, "NO, THEY DID NOT."
IF I HAD EVADED THE QUESTION HE OBVIOUSLY WOULD HAVE THOUGHT
SOMETHING MAJOR WAS AFOOT, AND HE WOULD HAVE UNDERSTOOD WHY.
SOME CRYPTO DEVIATIONIST ANTI-PROGRESSIVE WRECKER HAD LOST THEM
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EGYPT. THEY ARE LIKELY TO PLAY DIRTY AS THEY KNOW HOW OUT HERE,
UNLESS THEY HEAR DIFFERENTLY FROM HOME.

10. WE COULD BE PRETTY BLUNT ON THIS POINT. IF INDIA STARTS
COLLAPSING IT IS NOT GOING TO FALL INTO COMMUNIST HANDS.
(DESPITE WHAT THE NEAR PANICKY, SOMETIMES MOST FASHIONABLY,
LEFTIST CHIEF MINISTER OF BENGAL SAID TO ME THIS WEEK, FAIRLY
PLEADING FOR AMERICAN AID). IN ANY EVENT, NOBODY CAN SCARE
US ANY MORE BY THREATENING THAT IT MIGHT. IF THE RUSSIANS
WANT TO MAINTAIN THE VALUE OF THEIR INVESTMENT HERE, THE COUNTRY
HAS TO WORK. MODEST AMOUNTS OF AMERICAN AID CAN HELP IT TO
DO SO, WHICH IS TO SAY CAN HELP FURTHER SOVIET OBJECTIVES.
WHO BETTER THAN HENRY KISSINGER CAN SUGGEST THAT IF, NONETHE-
LESS, THE SOVIETS PERSIST IN MAKING ANY SUCH EFFORT COSTLY TO
US, WE CAN ALWAYS DECIDE TO ECONOMIZE. SCHNEIDER

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